



BEFORE THE STATE BOARD OF EQUALIZATION  
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of     }  
ROBERT J. O'MALLEY                     )

For Appellant:     Robert J. O'Malley,  
                              in pro. per.

For Respondent:     Michael R. Kelly  
                              Counsel

O P I N I O N

This appeal is made pursuant to section 18593 of the Revenue and Taxation Code from the action of the Franchise Tax Board on the protest of Robert J. O'Malley against a proposed assessment of additional personal income tax in the amount of \$175.30 for the year 1978.

Appeal of Robert J. O'Malley

The question presented is whether respondent properly disallowed the deduction appellant claimed -for State Disability Insurance Fund (SDI) contributions.

On his personal income tax return for 1978, appellant claimed an itemized deduction in the amount of \$1,071 for "State Disability Tax." Respondent's disallowance of the deduction gave rise to the deficiency assessment at issue in this appeal.

In a number of previous appeals, we have held that SDI contributions are taxes on or measured by income, and that such taxes are made specifically nondeductible by subdivision (c)(Z)(B) of Revenue and Taxation Code section 17204. (See Appeal of John A. and Betsy R. Barker, Cal. St. Bd. of Equal., Feb. 1, 1983; Appeal of Dwayne W. and Dorothy L. Heckman, Cal. St. Bd. of Equal., March 31, 1982; Appeal of Linn L. and Harriett E. Collins, Cal. St. Bd. of Equal., Nov. 18, 1980; Appeal of Arnold E. and Mildred H. Galef, Cal. St. Bd. of Equal., April 10, 1979.) Appellant does not challenge these holdings; rather, he states that he does not recall having claimed a deduction for SDI contributions. The record shows clearly, however, that he did claim this deduction on his 1978 return. Accordingly, we must conclude that respondent properly disallowed it, and that the resulting assessment of additional tax was properly imposed.

# Appeal of Robert J. O'Malley

Q R D E R ,

Pursuant to the views expressed in the opinion of the board on file in this proceeding, and good cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, pursuant to section 18595 of the Revenue and Taxation Code, that the action of the Franchise Tax Board on the protest of Robert J. O'Malley against a proposed assessment of additional personal income tax in the amount of \$175.30 for the year 1978, be and the same is hereby sustained.

Done at Sacramento, California, this 13th day  
of December , 1983, by the State Board of Equalization,  
**with** Board Members Mr. Bennett, **Mr.** Collis, Mr. **Dronenburg**  
and Mr. Nevins present.

William M. Bennett, Chairman

Conway H. Collis, Member

Ernest J. Dronenburg, Jr., Member

Richard Nevins, Member